



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 17, 2011

S. 183

Deepwater Horizon Survivors' Fairness Act

*As ordered reported by the Senate Committee on Commerce, Science,
and Transportation on June 8, 2011*

S. 183 would amend several laws related to private liability that apply to the injury or death of workers on ocean-going vessels or on certain other facilities located in the ocean. CBO estimates that enacting the legislation would have no significant impact on the federal budget.

Enacting S. 183 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill would expand both the Death on the High Seas Act (DOHSA) and the Jones Act to enable the surviving family members of a deceased worker to receive monetary compensation for nonmonetary damages as a result of the death of a relative on an ocean-going vessel or certain other facilities located in the ocean (such as oil-drilling rigs). S. 183 also would extend the distance from shore that would make ships subject to the provisions of DOHSA, and it would repeal the Limitation of Liability Act, a law that limits the value of certain damages that can be charged to vessel owners. Because those provisions would affect the liability of private firms, CBO estimates that enacting them would have no significant impact on the federal budget.

S. 183 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

By retroactively removing various limits on the liability that owners and operators of vessels face as a result of the Deepwater Horizon explosion, the bill would impose a mandate as defined in UMRA. The costs of the mandate to owners and operators of vessels would be the difference in compensation for damages they would have to pay under current law compared to the amount that they would have to pay under the bill. Because those costs would depend on future judicial proceedings, CBO cannot determine whether the aggregate cost of the mandate would exceed the annual threshold established in UMRA for private-sector mandates (\$142 million in 2011, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sarah Puro (for federal costs) and Sam Wice (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.